GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:2571
ANSWERED ON:01.12.2016
Self-Help Groups under Rural Schemes
Gutha Shri Sukender Reddy

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government proposes to ensure livelihood security and lift income levels by giving a retail push for handicrafts;

(b) if so, the details thereof;

(c) the incentives being offered to the Self-Help Groups (SHGs) to ensure their livelihood; and

(d) the manner in which the Union Government proposes to make the SHGs to support themselves to increase their income?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI RAM KRIPAL YADAV)

(a) to (d): In order to raise the income level of Self Help Groups, the opportunity for marketing of handicraft products at various important places in the country in Gandhi Shilp Bazar, Craft Bazaar, Thematic Exhibitions, National Handicraft Fairs, Exhibitions is provided. The SHGs are formed in various craft cluster areas of the country under Dastakar ShashktikaranYojana which aim to promote cluster artisans/SHGs through participation of craftsperson at all stages of implementation of the scheme with the ultimate objective of their empowerment and sustainability. The SHG members are provided skill upgradation training, design & technology development and participation in marketing exhibitions to ensure their livelihood and increase in income. During the training, they are provided stipend for wage compensation. During participation in exhibitions at various places, the SHGs are provided travelling allowance and dearness allowance & stalls without charging any rent. Further, the Ministry of Rural Development provides assistance to the States for organising Regional SARAS Fairs so as to support the SHGs for marketing their products. In addition, under Deendayal AntyodayaYojana − National Rural Livelihoods Mission (DAY − NRLM) financial assistance is given to SHGs in the following forms:-

(i) Revolving Fund:- Under DAY-NRLM, financial assistance upto Rs. 15,000/- per Self Help Group is provided as Revolving Fund to all DAY-NRLM compliant SHGs in the country.

(ii) Community Investment Fund:- Under DAY-NRLM, financial assistance uptoRs. 2.5 lakh is given per Self Help Group as Community Investment Fund which also include funds for Vulnerability Reduction) through SHGs/primary level federations / village organizations.

(iii) Interest Subvention:-For taking up various livelihoods, the SHGs are linked to banks for loans. Interest subvention is provided to women SHGs to cover the difference between the bank's lending rate of interest and 7%, on credit availed by the SHGs from the banks for a maximum of Rs 3, 00,000 per SHG. This is available across the country in two ways:

Category I:
(a) Applicable to category I districts - 250 most backward districts.

(b) All women SHGs can avail loans upto Rs 3 lakhs at 7 percent interest per annum.

(c) All women SHGs will also be eligible to an additional interest subvention of 3% on prompt repayment, reducing the effective rate to 4%.

Category II:

In the remaining districts, on prompt repayment, all women SHGs under NRLM will be eligible for interest subvention to the extent of the difference between the Banks' lending rate and 7% subject to a maximum of 5.5%.

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